



**Los Angeles County
Board of Supervisors**

June 12, 2012

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The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF SUPPORTIVE HOUSING SERVICES
MASTER AGREEMENT
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

Mitchell H. Katz, M.D.
Director

Hal F. Yee, Jr., M.D., Ph.D.
Chief Medical Officer

Christina Ghaly, M.D.
Deputy Director, Strategic Planning

SUBJECT

Request approval to execute Master Agreements with multiple vendors for the provision of Supportive Housing Services for the Department of Health Services.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Director of Health Services (Director), or his designee, to execute a Supportive Housing Services Master Agreement (SHSMA) with each of the vendors listed on Attachment A, for the provision of Supportive Housing Services, which is comprised of Intensive Case Management Services (ICMS) and Property Related Tenant Services (PRTS) and hereinafter referred to collectively as SHSMA Services, effective upon Board approval through June 30, 2017, with provisions to extend the Master Agreement term for up to two additional five-year periods.
2. Delegate authority to the Director, or his designee, to execute Master Agreements during the term of SHSMA with new qualified vendors who have been identified and selected through the Request for Statement of Qualifications (RFSQ) process for SHSMA Services, effective on execution and coterminous with the expiration of the Master Agreement.

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*To ensure access to high-quality,
patient-centered, cost-effective health
care to Los Angeles County residents
through direct services at DHS facilities
and through collaboration with
community and university partners.*



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3. Delegate authority to the Director, or his designee, to execute Amendments to the SHSMA, to add, delete, and/or change non-substantive terms and conditions in the Agreement as required by your Board.

4. Delegate authority to the Director, or his designee, to exercise two additional five-year extension options, through June 30, 2027, upon review and approval by County Counsel, with notification to your Board and the Chief Executive Office.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the first and second recommendations will allow the Director, or his designee, to execute Master Agreements, substantially similar to Exhibit 1, with vendors identified through the RFSQ process for SHSMA Services as qualified providers of ICMS and/or PRTS.

The Department of Health Services (DHS or Department) is seeking to expand access to community-based permanent supportive housing options for DHS patients who are homeless and who have a chronic illness or disability or are a high utilizer of DHS services, as permanently housing homeless persons with these complex health conditions results in improved health outcomes and reduces costs to the public health system.

The Department currently administers the Access to Housing for Health (AHH) project to provide permanent supportive housing options for chronically ill and/or physically disabled homeless DHS patients that repeatedly utilize County hospital emergency and inpatient services. The patients receive permanent supportive housing in private, market-rate apartments with a Section 8 housing choice voucher or through a limited number of public housing units. To date, this partnership between DHS, the Housing Authorities of the City of Los Angeles and County of Los Angeles (HACLA and HACOLA), and Homeless Health Care Los Angeles has provided permanent housing and supportive services to approximately 140 DHS patients who were homeless. A review of the data shows that for patients enrolled in AHH for at least 12 months, there is a 77 percent reduction in emergency room visits and inpatient admissions and an 85 percent reduction in inpatient days compared to their utilization rates in the 12 months prior to AHH enrollment. Additional analysis has revealed that there are approximately 2,300 patients who are homeless who use DHS inpatient services each year. The average length of stay for a patient who is homeless is 10.6 days compared to 6.4 days for a patient who is not homeless.

DHS is currently in the process of partnering with other governmental and community-based agencies to identify opportunities for affordable housing linked to appropriate supportive services. To ensure that all of the necessary services are in place to support the transition of clients to stable housing and the success of the project, some projects will require that DHS contract for community-based intensive case management services and/or specialized property management services specifically designed to support formerly homeless tenants.

The need for SHSMA Services will vary by the community-based permanent supportive housing project. When indicated and based on the need of a particular project, DHS will release a Work Order Solicitation for ICMS and/or PRTS which will describe in detail the particular project. Agencies with Master Agreements will be eligible to bid on individual Work Order Solicitations.

Approval of the third and fourth recommendations will allow for the effective administration of SHSMA. In particular, the ability for DHS to extend the Master Agreement term for up to ten (10) additional years is necessary as the goal of DHS is to ensure that patients have access to the level of support services that they need to remain stably housed for as long as they need these services.

This is permanent supportive housing and clients who are housed through this initiative could remain in their units indefinitely. In addition, there will be turnover as clients move or transition to different housing options. New clients will be referred into permanent supportive housing projects on an ongoing basis as units and/or housing subsidies become available. For both new and existing clients, continuity with a supportive services provider will minimize client disruptions, improve coordination of care, and support better health and housing outcomes.

DHS will monitor and evaluate permanent supportive housing projects that use SHSMA services. The evaluation will include client's use of medical services and establishment of a medical home; linkage to mental health, substance use disorder, and community services; benefits establishment; and stability in housing. With appropriate client consent and authorization, the evaluation will also include use of other County services including the Departments of Mental Health, Public Health, and Public Social Services, as well as the Sheriff's Department. Once systems such as an Electronic Health Record and i2i (a health management registry) are implemented in DHS, the evaluation will be expanded to include individual health status and preventive health measures. DHS will monitor the outcomes associated with individual permanent supportive housing projects and across projects to identify best practices and inform future efforts.

Implementation of Strategic Plan Goals

The recommended actions support Goal 2, Fiscal Sustainability, and Goal 3, Integrated Services Delivery, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

The estimated cost for DHS is \$0.75 million in Fiscal Year (FY) 2012-13 under the SHSMA and funding is included in the Health Services Administration's FY 2012-13 Recommended Budget and will be requested in future years, as needed.

Approval of the Master Agreement does not guarantee a contractor any minimum amount of business. The County only incurs an obligation as individual work orders are awarded. DHS will notify your Board via a Board Memo when individual Work Orders for specific projects are executed.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Recent data indicates that DHS provides inpatient services to approximately 2,300 patients per year who have no identifiable or permanent housing at an estimated total annual cost of \$70.00 million. The average length of stay for these patients is 10.6 inpatient days, which is 4.2 inpatient days longer compared to those with permanent housing. Providing housing to patients with no identifiable or permanent housing will result in a reduction in costs associated with a reduction in inpatient days, a reduction in use of contracted hospital beds, and an improved payor mix.

Contractors may provide services in the following two SHSMA categories:

Intensive Case Management Services (ICMS) providers must have at least three (3) years of experience in the last ten (10) years providing ICMS (outreach and engagement to the target population; establishment of a case management plan; linkage to health, mental health, and behavioral health services; assistance with benefits establishment; assistance with rental application and Section 8 application; etc.) in supportive housing to formerly homeless people with medical

and/or behavioral health issues.

Property Related Tenant Services (PRTS) providers must have at least three (3) years of experience in the last ten (10) years providing PRTS (property management, site maintenance and repair, building security, rent collection, customer service, and coordination with service providers, etc.) in supportive housing to formerly homeless people with medical and/or behavioral health issues.

All active contractors will be informed of work order solicitation notices released in the SHSMA categories where the contractor has been pre-qualified.

The Master Agreement is not a Proposition A Agreement because the SHSMA services are intermittent and as needed and, therefore, not subject to the Living Wage Program (Los Angeles County Code Chapter 2.201).

The Master Agreement may be terminated for convenience by the County upon 10-days prior written notice.

The Master Agreement includes all Board of Supervisors' required provisions.

County Counsel has approved Exhibit 1 as to form.

CONTRACTING PROCESS

On April 5, 2012, DHS released an RFSQ for Supportive Housing Services, posting it on the DHS Contracts and Grants website and the County "Doing Business with Us" website. The initial Statement of Qualifications (SOQ) submission deadline was May 3, 2012, and all the recommended vendors submitted SOQs by this deadline.

Through the RFSQ, DHS identified qualified vendors to enter into Master Agreements with the County to provide ICMS and PRTS for future permanent supportive housing projects, which may be located throughout Los Angeles County.

The RFSQ is open continuously for responses and SOQs will continue to be accepted and reviewed in accordance with the established process. If qualified, additional vendors will be offered the Master Agreement. Thereafter, from time to time ICMS and/or PRTS will be solicited under competitive conditions through work orders executed by DHS.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommendations will expand access to permanent housing for DHS patients who are homeless, with the goal of improving health outcomes and reducing costs to the public health system.

The Honorable Board of Supervisors

6/12/2012

Page 5

Respectfully submitted,

A handwritten signature in black ink, reading "Mitchell Katz". The signature is written in a cursive, flowing style.

Mitchell H. Katz, M.D.

Director

MHK:az

Enclosures

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors